

## CIP EXPENSE DETAIL

**DATE OF COUNCIL CONSIDERATION:**

3/20/14

**CONTACT DEPARTMENT(S):**

Real Estate; Parks and Recreation

**SUBJECT:** Authorize negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 292 acres in Travis County, Texas, together with improvements, and related personal property in connection with the Grey Rock golf course and tennis facility, located off Highway 45, from THE GOLF CLUB AT CIRCLE C, LP, A TEXAS LIMITED PARTNERSHIP, and the assumption of or entering into of related management contracts, leases, permits, repair contracts and other contracts, agreements, and entitlements related to such property, for a total contract amount not to exceed \$9,600,000.

**CURRENT YEAR IMPACT:**

<b>Department:</b>	<b>Parks and Recreation</b>
Project Name:	Grey Rock Golf and Tennis Facility
Fund/Department/Unit:	8760-8607-NEW
Funding Source:	Certificates of Obligation
Current Appropriation:	9,600,000.00
Unencumbered Balance:	9,600,000.00
Amount of This Action:	<u>(9,600,000.00)</u>
Remaining Balance:	<u>0.00</u>

**ANALYSIS / ADDITIONAL INFORMATION:** The approximately 292-acre Grey Rock golf and tennis facility, located off Highway 45 within Circle C Ranch, is considered one of the fastest growing areas in the region. The property includes an 18-hole golf course, eight tennis courts, three maintenance facilities, a driving range with teaching center, and a clubhouse. The property is situated in a park deficient area of the City and offers room for future park expansion including trail connectivity and other park amenities. The property is under residential development threat and is zoned with no restrictions for development. City of Austin ownership will protect the environmentally sensitive property in the future by utilizing best management practices outlined by the Watershed Protection Department and will restrict future development. The Parks and Recreation Department as a steward of the property is prepared to adhere to best management practices, environmental testing, and protection of water quality.

The purchase price is \$8,500,000 for the real property and an additional \$1,100,000 are included in this request, which includes: due diligence requirements (survey, environmental site assessment, building condition report), funds to transfer all contracts including management of the property and startup funds for operations, and several small capital improvement repairs related to planned improvements by the current property owner.

The purchase price and the additional funds are below the current fair market value as determined by an independent third party appraiser.